

Ozark Natural Foods
Board Meeting Minutes
January 25th, 2011

Board Members Present: Bill Browner, Robert Ginsburg, Jennifer Neill,
David Mervis, Nancy Starr,

Board Members Absent:

Staff Members Present: Alysén Land, Amber Seacrest, Gary Cook, Pauline Thiessen

Owner(s) present: Susan Jenkins, Judith Levine, Sue Graham, Mike Wulf, Tuesday Eastlack,
Cynthia Van Beber Colleen Pancake, Jonathan Bame

Owner comments: Michael Wulf commented that he thought the board was continuing to harass a board member. Judith Levine spoke up and stated she was very concerned about the current situation including the resignation of 5 board members over the past year as well as the GMs termination/re-hire. The board communicated that they are moving forward from the recent events and communication and GM/Board relationships are improving.

Policy Governance Reports

- **D.9 Code of Conduct:** The scoring on this report was low and the board asks ‘what are the consequences in violating the Code of Conduct?’ What does a board member do if they have a strong opinion about something? Nancy clarified that ‘one voice’ does not mean everyone thinks the same. Nancy also stated that when board members express their opinions, it is not personal and individuals should not feel harassed if they have a different opinion. There were also concerns of personal threats to board members and the emails from James Neill were disturbing to the other board members. The board discussed further and determined there needs to be a process for major issues. Bill commented that the code of conduct obviously doesn’t work and there is no plan in place for ‘big issues’ that could possibly jeopardize the business. The board concluded that the Code of Conduct needs to be reviewed by the consultant Mark Goehring.
ACTION ITEM: Have Mark Goehring review Code of Conduct and give a written opinion which will be reviewed.

New Business

GM Update:

- Alysén gave the board the information for the upcoming AOM.
- \$10 Million in sales was achieved in November. All employees will get a paid day off (the number of hours will taken as an average worked for the year).
- Minimum hiring wage has been raise.
- The basement has been cleaned and 90% of it was recycled.
- Powerhouse is leasing space next door and hopes to open March 1st. ONF was able to re-coup losses from Pulse Fitness.
- Wilma’s restaurant next door to ONF is for sale. The store looked at space for a community kitchen. The idea is to have a certified kitchen for dry rubs, canning etc. as well as cooking classes and possibly a bakery.
- Architect Matthew Cabe looked at deli line for flow. The deli reset is planned to take place this year.

GM Monitoring Report B.3 Financial Conditions: The board reviewed Alysén’s report. Sales growth was 10.5% (target 5%) debt to equity is .53 (target < 3%). The motion by David to approve Alysén’s report was seconded by Bill. Board approved unanimously.

GM Monitoring Report B.2 Business Planning and Budgeting: Alysén presented the board with a 106 page comprehensive Business Plan. The plan follows the monitoring report, follows ENDS and has direction and breakdown. David commented that the strategy in response to Whole Foods anticipated opening in NWA seems re-active instead of pro-active, and that we should have a specific action plan which includes a timeline. In general, our planning should include a methodology that provides transparency to how priorities are set. Alysén noted that each department has already implemented a plan for improvement. The board wants a broad road map of specific strategies and methodology and felt the business plan was missing these details. David

compared a business plan to a chess game; you always have to be thinking two moves ahead. Bill suggested the board has enough information to see management's thoughts. Nancy moved to accept with reasonable interpretation provided the GM will provide additional information on chronological order with an explanation of capital spending. Board approved unanimously.

Patronage Refunds: Alysen submitted the Patronage Refund to the board as a 50% return. Robert moved to accept, David seconded motion and board approved unanimously.

Meeting adjourned at 9:30 p.m.